

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Reece Limited (**Reece**)

ABN

49 004 313 133

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares in the capital of Reece (each, a Share). |
|---|--|---|

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- | | | |
|---|---|---|
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <p>Entitlement Offer</p> <p>7,392,145 new Shares will be issued on 17 May 2018 pursuant to the institutional component (the <i>Institutional Entitlement Offer</i>) of the pro rata accelerated non-renounceable entitlement offer announced by Reece on 7 May 2018 (the <i>Entitlement Offer</i>).</p> <p>Approximately 37,880,583 new Shares are expected to be issued on 30 May 2018 pursuant to the retail component of the Entitlement Offer (the <i>Retail Entitlement Offer</i>) (subject to the reconciliation of shareholder entitlements and the effects of rounding).</p> <p>Institutional Placement</p> <p>17,555,578 new Shares will be issued on 17 May 2018 pursuant to the institutional placement announced by Reece on 7 May 2018 (the <i>Placement</i>).</p> |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <p>The new Shares to be issued under the Entitlement Offer and the Placement will be on the same terms as existing Shares on issue.</p> |

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes, the new Shares issued under the Entitlement Offer and the Placement will be on the same terms as existing Shares on issue and will rank equally in all respects with those existing Shares from the date of issue of the new Shares.</p> <p>Investors who are issued new Shares under the Placement will not be entitled to participate in the Entitlement Offer in respect of those new Shares.</p>
<p>5 Issue price or consideration</p>	<p>\$9.30 per new Share under the Entitlement Offer.</p> <p>\$10.20 per new Share under the Placement.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>As described in the ASX Announcement and Investor Presentation lodged with the ASX on 7 May 2018, the proceeds received from the issue will be used to partly fund the acquisition of MORSCO Inc by Reece.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No.</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>Not applicable.</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>Not applicable.</p>

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable.
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable.
6f	Number of +securities issued under an exception in rule 7.2	Not applicable.
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable.
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable.
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Not applicable.
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>The proposed issue date for new Shares to be issued under the Institutional Entitlement Offer and the Placement is 17 May 2018.</p> <p>The proposed issue date for new Shares to be issued under the Retail Entitlement Offer is 30 May 2018.</p>

+ See chapter 19 for defined terms.

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	After completion of the Entitlement Offer and Placement, there will be 522,947,723 Shares on issue (excluding the new Shares to be issued under the Retail Entitlement Offer).	Shares

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	N/A	N/A

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Shares issued under the Entitlement Offer and the Placement will have the same dividend rights as existing Shares.	
---	--	--

Part 2 - Pro rata issue

11 Is security holder approval required?	No.	
12 Is the issue renounceable or non-renounceable?	Non-renounceable.	
13 Ratio in which the +securities will be offered	1 new Share for every 11 Shares held at the Record Date for the Entitlement Offer.	
14 +Class of +securities to which the offer relates	Shares.	
15 +Record date to determine entitlements	7pm (AEST) 9 May 2018.	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.	

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- | | |
|---|--|
| 17 Policy for deciding entitlements in relation to fractions | Where fractions arise in the calculation of shareholders' entitlements under the Entitlement Offer they will be rounded up to the nearest whole number of new Shares. |
| 18 Names of countries in which the entity has security holders who will not be sent new offer documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7. | For the Institutional Entitlement Offer, all countries other than Australia, New Zealand, Hong Kong, Singapore and the United Kingdom and any other jurisdictions as agreed between Reece and J.P. Morgan Australia Limited (ABN 52 002 888 011).

For the Retail Entitlement Offer, all countries other than Australia and New Zealand. |
| 19 Closing date for receipt of acceptances or renunciations | The Institutional Offer closed at 9.00am (AEST) on 8 May 2018.

5.00pm (AEST) on 23 May 2018 under the Retail Entitlement Offer. |

+ See chapter 19 for defined terms.

20	Names of any underwriters	J.P. Morgan Australia Limited (ABN 52 002 888 011)
21	Amount of any underwriting fee or commission	<p>An underwriting fee of 1.50% of:</p> <ul style="list-style-type: none"> • the proceeds under the Entitlement Offer (less the dollar amount to be sub-underwritten by the Wilson family); and • \$139,000,004.10 of the proceeds under the Placement, <p>and a management and selling fee of 0.19% of the sum of the proceeds under the Entitlement Offer and \$139,000,000.1 of the proceeds under the Placement.</p>
22	Names of any brokers to the issue	Not applicable.
23	Fee or commission payable to the broker to the issue	Not applicable.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable.
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable.
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	No prospectus, product disclosure statement or other disclosure document was issued in connection with the Entitlement Offer. A Retail Entitlement Offer Booklet and Entitlement and Acceptance Form were sent to eligible retail shareholders in connection with the Retail Entitlement Offer on or around 14 May 2018.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable.

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

28	Date rights trading will begin (if applicable)	Not applicable.
29	Date rights trading will end (if applicable)	Not applicable.
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable.
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable.
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable.
33	⁺ Issue date	<p>The proposed issue date for new Shares to be issued under the Institutional Entitlement Offer and the Placement is 17 May 2018.</p> <p>The proposed issue date for the new Shares to be issued under the Retail Entitlement Offer is 30 May 2018.</p>

⁺ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	Not applicable.					
39	+Class of +securities for which quotation is sought	Not applicable.					
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Not applicable.					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	Not applicable.					
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1"> <thead> <tr> <th data-bbox="715 1583 1013 1624">Number</th> <th data-bbox="1013 1583 1300 1624">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="715 1624 1013 1843">Not applicable.</td> <td data-bbox="1013 1624 1300 1843">Not applicable.</td> </tr> </tbody> </table>	Number	+Class	Not applicable.	Not applicable.	
Number	+Class						
Not applicable.	Not applicable.						

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:
(Director/Company secretary)

Date: 16 May 2018

Print name: Gavin Street

== == == == ==

+ See chapter 19 for defined terms.